

FINANCIAL ASSISTANCE FOR POLITICAL PARTIES SCHEME 2013

GUIDANCE

1 The Purpose, Provisions and Interpretation of the scheme

1.1 Purpose

1.1.1 The Financial Assistance For Political Parties Scheme 2013 (the Scheme) provides for payments to a political party based on the number of connected members that the party holds within the Assembly. The Scheme provides financial assistance to **a party** for the “*purpose of assisting members of the Assembly who are connected with that party to perform their Assembly duties*”. In the Scheme, this is termed ‘the authorised purpose’. All financial assistance provided to parties must be **used solely** for the authorised purpose or for the provision of administrative support to a party’s Whips’ office in accordance with paragraph 1.2.2.

1.1.2 Funding available to members through Office Cost Expenditure (OCE) is **not related** to any funding made available to parties through the Scheme. OCE is provided under the provisions of the Independent Financial Review Panel’s (IFRP) Northern Ireland Assembly Members’ Salaries, Allowances, and Pensions Determination March 2012, as amended by the Northern Ireland Assembly (Members’ Allowances) Determination 2013. The purpose of OCE is clearly defined. A Member is entitled to claim any expenditure which he wholly, exclusively and necessarily “incurs in any year in respect of research, secretarial, clerical or administrative assistance and the provision of any equipment, facilities, services or utilities associated therewith required by the member in connection with carrying out his Assembly Duties”. Assembly duties are also defined by the Determination in paragraph 2, sub-paragraphs (3) (a) – (g).

1.2 Provisions

1.2.1 The first element of the Scheme (contained in paragraphs (a) to (c) of Article 3) provides financial assistance for a party for the purpose of assisting members of the Assembly to perform their Assembly duties.

1.2.2 The second element of the Scheme (contained in paragraphs (d) to (g) of Article 3) provides financial assistance for an eligible party to help fund the costs of providing administrative support to the party’s Whips’ office. It is important to note the specific nature of this second element of assistance. This element of the assistance **must only** be applied to the expenditure wholly, exclusively and necessarily incurred in the provision of administrative support to a party’s Whips’ office (including the provision of any equipment, facilities or services).

1.3 Interpretation

1.3.1 The Scheme defines “authorised purpose” as meaning the purpose of assisting members of the Assembly, who are connected with that party, to perform their Assembly duties. ‘Administration’ of a Whips’ office is not defined and the term administration will be given its ordinary meaning.

1.3.2 For the purpose of this Guidance, “authorised purpose” may be taken to include the following:

- (a) The provision of central administrative support by the party to assist members of the Assembly, who are connected with that political party, to perform their Assembly duties;
- (b) The provision of central research, to assist members of the Assembly, who are connected with that political party, to perform their Assembly duties;
- (c) The provision of education or training by the party, to assist members of the Assembly, who are connected with that political party, to perform their Assembly duties;
- (d) The provision of central engagement / media support services by the party to assist members of the Assembly, who are connected with that political party to perform their Assembly duties; and
- (e) The provision of equipment or services (the costs of which may not be met from any other source) to assist members of the Assembly who are connected with that political party, to perform their Assembly duties.

1.3.2 Examples of admissible and inadmissible expenditure in relation to each of the elements of the Scheme are provided at Annex A of this Guidance.

2 The Principles of the Scheme

2.1 The financial support framework for members of the Assembly is underpinned by a set of principles, consistent with ‘the Seven Principles in Public Life’, namely: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.¹ These are included at Annex B for ease of reference. In December 2010, the Assembly agreed the recommendations made within the ‘Report on the Financial Support and Pensions for Members of the Northern Ireland Assembly’. That Report proposed a further ten principles, developed in consultation with party leaders, which also would underpin the basis on which OCE would be paid.

¹ Also called the ‘Nolan principles’ See *First Report of the Committee on Standards in Public Life MPs, Ministers and Civil Servants, Executive Quangos* Cm 2850, 11 May 1995

2.2 All of these principles will also underpin the basis on which assistance to political parties is provided under the Scheme. The Ten principles as applied to political parties are as follows:

Principle 1: Political parties have a duty to observe the seven Nolan Principles of Public Life in all aspects of incurring and claiming expenditure. (The Nolan Principles are set out in Appendix B).

Principle 2: Political parties have a right to be properly supported in assisting the members of the Assembly to carry out Assembly duties.

Principle 3: Any amount claimed by a party must be in respect of expenditure that has been wholly, exclusively and necessarily incurred for an “authorised purpose” as defined by the FAPP Scheme.

Principle 4: The system for claiming expenditure incurred by political parties must be based on the recovery of actual expenditure, not on an entitlement to assistance.

Principle 5: Openness and transparency about expenditure incurred by political parties will predominate, subject only to data protection, security considerations and inordinate or disproportionate costs.

Principle 6: Resources provided to enable political parties within the Assembly to assist members to undertake their Assembly duties must not, directly or indirectly, benefit party political funding or be used for party political activities.

Principle 7: Arrangements should be avoided which may give rise to an accusation that a political party is obtaining an element of profit from public funds, or that public money is being diverted for the benefit of a political organisation.

Principle 8: Political parties will seek to ensure that any expenditure incurred provides value for money for the tax-payer.

Principle 9: The nominated signatory of each political party obtaining assistance under the Scheme will take responsibility for ensuring that any claims made in the party name for expenditure incurred in respect of the “authorised purpose” are correct and proper.

Principle 10: For all expenditure claimed, political parties must act within the spirit of this direction as well as within the letter of the direction. The Commission will publish the rules and guidance on the system for claiming expenditure under the Scheme and Assembly officials will provide any further guidance that may

be required by political parties.

2.3 Application of the principles

2.3.1 In the majority of cases, the application of the Ten Principles will be straightforward.

2.3.2 While not exhaustive, it is proposed that the following list of questions be used to assist each nominated signatory (see section 4.4 below) in ascertaining whether an item of expenditure can be appropriately claimed:

- (a) Is the expenditure compatible with the Ten Principles?
- (b) Has this expenditure been wholly, exclusively and necessarily incurred by the party in the administration of its Whips' Office or to assist members who are connected with the party to perform their Assembly duties?
- (c) Is the claim for expenditure consistent with the purposes of financial assistance to political parties as set out in the Scheme and this Guidance?
- (d) Does the claim for expenditure demonstrate Value for Money?
- (e) Has the party considered this claim for 'admissible and inadmissible' expenditure as detailed in the guidance?
- (f) Could the claim in any way have a negative impact on the reputation of the Assembly?

2.4 Breaches and Sanctions

2.4.1 The Commission recognises the need to have appropriate systems in place to address any potential breaches of the Scheme and Guidance on (i) claiming and (ii) incurring expenditure as permitted by the Scheme. The Clerk/Director General, as Accounting Officer for the Assembly, will consider any potential breaches of the Scheme and Guidance which may arise from the scrutiny work of the Assembly's Finance Office or from external and internal audit reviews.

3 Funding

3.1 Article 3 of the Scheme specifies the amount of financial assistance payable to an eligible political party, while Article 4 describes the provisions for amending the level of funding following changes in party membership.

3.2 The annual maximum amount that can be claimed and paid will be calculated by the Assembly Finance Office in accordance with the Scheme and communicated to party leaders. This will be allocated retrospectively to parties on a monthly basis.

4 Rules for claiming expenditure

4.1 Employees

4.1.1 Parties may claim the salary costs of staff who are employed by a party under the authorised purpose of the Scheme to assist members. If a party wishes to employ staff in this capacity, all payments **must** be made through the payroll bureau service managed by the Assembly's Finance Office. For the avoidance of doubt, all employees paid under the Scheme are employees of the party. They are not employed by the Commission, nor are they employed by individual members.

4.1.2 The following costs may be included:

- (a) support staff costs (basic and overtime);
- (b) employers' National Insurance and employers' pension contributions;
- (c) contribution to costs of a party approved childcare scheme;
- (d) incidental and ancillary employment costs; and
- (e) redundancy costs

4.1.3 The Assembly's Finance Office provides a payroll bureau service for the payment of salaries of staff engaged under the authorised purpose of the Scheme. The Assembly's Payroll team undertakes to account for the deductions of National Insurance and tax under the PAYE scheme and completes all HMRC returns associated with payroll payments. Each party which engages staff under the Scheme must supply the Assembly's Finance Office with:

- (a) A signed and dated copy of a contract of employment with the party, including a job title and a detailed job description for each employee. This is a requirement under the Employment Rights (NI) Order 1996. A "Statement of Particulars of Employment" template is available on the Assembly Finance pages of AssISt, should a party wish to use it.
- (b) A completed and signed copy of a payment authorisation form, (Form PA (3) for any employee under the first element of the Scheme or Form WA (3) for an employee who will provide support to a Whips' office). A separate form must be completed for each employee. These forms can be found on the Assembly Finance pages of AssISt.

4.1.4 Instructions for variations to the monthly salary payments e.g. overtime payments, should be notified on Forms OT (P). This form can be also found on the Assembly Finance pages of AssISt.

4.1.5 All permanent alterations to payments should be notified to the Assembly's

Payroll team on the PA (4) or WA (4) forms which are available on the Assembly Finance pages of AsslSt.

- 4.1.6 Notification of termination of an employment contract, including instructions to pay statutory redundancy payments, must be notified in writing with original signatures. Adjustments will not be made as a result of verbal communication with the Assembly Pay Team.
- 4.1.7 Payments will only be made if all appropriate documentation is received, authorised by the nominated signatory and there are sufficient funds available from a party's assistance under the Scheme.
- 4.1.8 There is no requirement to submit a monthly claim in respect of an employee's salary costs. Once they have been added to the payroll all payments will continue until instruction is received to the contrary. The costs associated with that employee/s will be provided to the Assembly's Finance Office and allocated against the assistance available to the party under the Scheme. If there are insufficient funds to process monthly payments, the party will be notified and payments will cease until funding becomes available. No further requests for payments or amendments to payroll will be processed once the monthly allocation of funding is utilised. All requests will be returned to the party unprocessed. Any amendments to payroll which are to be reflected in an outgoing year must be received by the Assembly Payroll Team before 10 March. Amendments received after this date will be processed in the next financial year.

4.2 **Other Expenditure**

- 4.2.1 Claims for all other types of authorised expenditure incurred must be made in accordance with the Ten Principles and in compliance with this Guidance. These claims may be submitted on a monthly basis for reimbursement to the party. These claims should be accompanied by a form FAPP1 (for financial assistance payable under Article (a) to (c)) or form FAPP2 (for financial assistance payable under Article 3 (d) to (g)). These forms are available from the Assembly Finance pages on AsslSt.
- 4.2.2 All reimbursement forms must be accompanied with actual invoices, to demonstrate actual expenditure has been incurred. In submitting the claim forms the nominated signatory must consider the application of the Ten Principles and will be required to certify that:
 - (a) the expenditure claimed has been wholly and exclusively incurred by the party in the administration of its Whips' Office or for the purposes of supporting members in carrying out their Assembly Duties, as authorised by the Scheme;
 - (b) all work carried out, or items purchased, are of a satisfactory standard and represent value for money;
 - (c) the expenditure has been incurred within the relevant period.

4.2.3 Parties should ensure that the correct form is used as the levels of funding available for the separate elements of the Scheme are limited under the specific terms of the scheme. Claims will be reviewed by the Finance Office. Any claim that does not have sufficient documentation attached may be returned unpaid. **Claims for an arbitrary amount, i.e. a “draw-down” of funding, will not be processed, as all claims should be for reimbursement of actual expenditure incurred only.**

4.2.4 Reimbursements will be paid into the account notified to Finance on form FAPP5 (for financial assistance payable under Article (a) to (c)) or form FAPP6 (for financial assistance payable under Article 3 (d) to (g)). These forms are available from the Assembly Finance pages on AsslSt.

4.3 Budgetary Control

4.3.1 The maximum amount of funding available to parties under the Scheme is an annual amount, which must not be exceeded. The financial year runs from 1 April to 31 March. The annual level of assistance available to each party through the Scheme will be calculated and notified to party leaders at the beginning of each year, copied to party whips and nominated signatories. The Assembly’s Finance Office will issue monthly reports to parties detailing all expenditure processed for the year to date. Transfer of unused assistance provided by the Scheme to a subsequent financial year is not allowed. Due to the specific provisions of the Scheme, funding available within one element of the Scheme cannot be transferred to the other. Therefore underspends in either element of the Scheme cannot be transferred to alleviate potential overspends in the other. The annual funding will be allocated on a monthly basis to the party. The level of assistance available to each party through the Scheme is calculated, in the first instance on an annual basis, however as prescribed under Article 4 of the Scheme, it will be adjusted accordingly for changes in party membership. Expenditure can only be paid for within the financial year in which it is incurred and invoiced.

4.3.2 The Assembly’s Finance Office will continue to accept claims for expenditure for each outgoing year up to a specified date in April. Each party will be notified of this date. Claims received by the Assembly’s Finance Office after this date will be returned unpaid.

4.4 Nominated Signatories

4.4.1 All claim forms must be signed by a party’s nominated signatory. A nominated signatory is appointed by a party leader using form FAPP 1 (for financial assistance payable under Article (a) to (c)) or form FAPP2 (for financial assistance payable under Article 3 (d) to (g)). These forms are available from the Assembly Finance pages on AsslSt. These forms should be returned at the start of every mandate or for every subsequent change in nomination.

4.5 Annual Audit of the Scheme

4.5.1 The Commission will undertake to procure the services of an independent

auditor who will carry out an annual review of all payments made under the Scheme. This will ensure that assistance received by the party was used exclusively for the authorised purpose as defined. All working papers and supporting documents must be made available for this. If, on review, it is found that funding has been provided to parties which falls outside the scope of Scheme, further investigation will be undertaken. Any confirmed breaches of the Scheme and this Guidance will be referred to the Accounting Officer for further consideration. Funding may be stopped, pending the final outcome of any investigation.

4.6 Publication of Expenditure

- 4.6.1 As part of the Commission's approach to openness and transparency, expenditure claimed by each party under the Scheme will be published annually on the Assembly website.

Examples of Admissible and Inadmissible Expenditure

Element 1: Party Allowance	
Admissible	Inadmissible
<p>Claims for salaries for party support staff whose job description provides for assisting connected members of a party in carrying out their Assembly duties.</p> <p>Associated employer's costs e.g. national insurance or pension contributions.</p> <p>Associated allowances offered by the employer e.g. contribution to an approved childcare scheme. (Such a provision must be available to all employees)</p>	<p>Claims for salaries for members' support staff.</p> <p>Claims for party staff who do not work to assist members in carrying out their Assembly duties.</p> <p>Claims for ANY element of work undertaken by a party employee on internal party matters including elections, campaigning, party organisation, etc.</p> <p>Claims for salary costs where the salary payments have not been processed by the Assembly's Finance Office.</p>
<p>Purchase of equipment to enable a party to assist connected members of that party to carry out their Assembly duties.</p>	<p>Claims for the purchase of equipment that may be used for internal party matters including elections, campaigning, party organisation, etc. If an item of equipment incurs or is likely to incur ANY usage that is not directly connected to the authorised purpose, then that is an inadmissible claim under the Scheme.</p>
<p>Purchase of stationery or consumables to enable a party to assist connected members of that party to carry out their Assembly duties</p>	<p>Claims for the purchase of stationery or consumables that may be used for internal party matters including elections, campaigning, party organisation, etc. If an item of stationery or consumables incurs or is likely to incur ANY usage that is not directly connected to the authorised purpose, then that is an inadmissible claim under the Scheme.</p>
<p>Purchase of education / training services to enable a party to assist connected members of that party to carry out their Assembly duties.</p>	<p>Claims for costs for the provision of education / training services that may be used for internal party matters including elections, campaigning, party organisation, etc. If a training</p>

	<p>event incurs or is likely to incur ANY usage that is not directly connected to the authorised purpose, then that is an inadmissible claim under the Scheme.</p> <p>Expenditure on training by a party for electoral or party spokesperson purposes will always be inadmissible.</p>
<p>Claims for mobile telephone bills for party staff to enable a party to assist connected members of that party to carry out their Assembly duties.</p>	<p>Claims for personal calls made by party staff or claims for calls made in respect of internal party matters including elections, campaigning, party organisation, etc.</p>
<p>Claims for the provision of research and associated support materials to enable a party to assist connected members of that party to carry out their Assembly duties.</p>	<p>Claims for the provision of research and associated support materials in respect of internal party matters including elections, campaigning, party organisation, etc.</p>

Element 2: Administration of Whips Office	
Admissible	Inadmissible
Claims for salaries (and associated costs) for Whips' support staff	<p>Claims for salaries for members' support staff.</p> <p>Claims for party staff who do not work to assist members in carrying out their Assembly duties.</p> <p>Claims for ANY element of work undertaken by a party employee on internal party matters including elections, campaigning, party organisation, etc.</p> <p>Claims for salary costs where the salary payments have not been processed by the Assembly's Finance Office.</p>
Claims for mobile telephone bills for Whips' support staff in assisting in the administration of the Whips' office.	Claims for personal calls made by Whips' support staff or claims for calls made in respect of internal party matters including elections, campaigning, party organisation, etc.
Purchase of equipment to assist in the administration of the Whips' office.	Claims for the purchase of equipment not related to the administration of the Whips' office or equipment that may be used for internal party matters including elections, campaigning, party organisation, etc.
Purchase of stationery or consumables to assist in the administration of the Whips' office.	Claims for the purchase of stationery or items not related to the administration of the Whips' office or that may be used for internal party matters including elections, campaigning, party organisation, etc.

The Seven Principles of Public Life

Identified by the Nolan Committee in their First Report on Standards in Public Life May 1995

Principle 1: Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Principle 2: Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Principle 3: Objectivity

In carrying out public business, including making public appointments, awarding contracts or recommending individuals for awards or benefits, holders of public office should make choices on merit.

Principle 4: Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Principle 5: Openness

Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Principle 6: Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Principle 7: Leadership

Holders of public office should promote and support these principles by leadership and example.